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1. The Dairen Dock was taken over by the USSR military immediately after they moved into the Dairen area in 1945. They preserved the installation intact instead of stripping it as they did many of the industrial plants. The Dock remained under USSR control for several years but later, about 1950 if I remember correctly, it was transferred to joint USSR-Chinese control and renamed the Soviet-Chinese Shipbuilding Company. The company has a payroll of roughly eight thousand workmen and 250 engineers. When the Soviet military took the dockyard over they kept on the technical staff of 150/200 Japanese engineers and treated them well. The Japanese have been replaced gradually by Russians and as of March 1953 only two or three Japanese were employed there. Approximately one-third of the present technical staff of 250 consists of "Moscow Russians" [1 e USSR citizens sent out by the Soviet government] and two-thirds of "Manchurian Russians" [1 e emigrants of long residence in Manchuria and their children without regard to political coloration]. The Moscow Russians are paid about ten times as much as the Manchurian Russians. The pay of the latter approximates that of Chinese in equivalent positions.
2. While the administration of the company theoretically is joint USSR-Chinese, the real control is by the USSR. The dockyard is an important installation from the Soviet point of view because it provides ice-free ship repair and building facilities during the winter months when the Siberian Maritime Province ports are frozen in. I have seen as many as 30 USSR ships at one time in for repairs during winter months. These were from four thousand to seven thousand ton ships, the larger ones for the most part being Liberties. They were dirty, run-down and in deplorable condition.
3. The Japanese had excellent ship repair and building facilities in Japan and had allowed the Dairen Dock installations to deteriorate to some extent. When the Soviet administration took over the Dock it set to work immediately to rehabilitate the facilities. Nothing significant was added to the equipment but the buildings and shops were repaired or in some cases completely rebuilt. The Japanese would hardly recognize the place now.

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4. The dockyard is now [spring 1953] working feverishly on a lighter and tug building program.
5. The lighters are steel flush deck craft. They have pumping equipment and presumably are intended for use as tankers. They are being built in two sizes, the smaller of 200/300 tons capacity and the larger of 500 tons capacity. When completed they are sent to the Maritime Province.
6. The tugs are steel hulled seagoing craft about 70 feet in length. They are powered with converted military tank engines of 140 hp. The engines bore factory marks in Russian and undoubtedly were of USSR manufacture. At least 200 such tugs were being built. We were told that these tugs were destined for the Baltic. I doubt this and think it much more probable that they are for use on the Siberian Pacific coast. They would be useful if the USSR should become engaged in island hopping operations in the Aleutians.
7. In addition to these small tugs the Dock was building two or three larger ones of perhaps 500 tons. These I was told would be powered with one thousand horsepower engines.
8. A British-built Chinese cruiser was in the Dock for repairs for about a year. Unfortunately, I cannot recall her name, it was something like Chiang Hsia I think, or any identifying characteristics, not even how many stacks she had. I do recall that her main battery consisted of six 8-inch guns. She had been sunken, perhaps at Hulutao, and had been under water for several months. However, damage was less than would have been expected as her guns and engines had been greased. She left dock on completion of work early in 1953.
9. The Dock is capable of building fairly large vessels. Under the Japanese the area was restricted but from a distance I have seen ships of I judge about five thousand tons under construction on the ways. Nothing larger than the biggest type of tug mentioned above was built in the Dock during the period 1946-53.
10. During the early period of Soviet control the Dock's principal source of supply for raw materials was the stockpile left by the Japanese. Later in 1947-49 steel plates, timbers, etc were obtained from the USSR and were brought in chiefly by sea, I believe. Still later say from 1950 on supplies came both from the USSR and from Manchuria and were brought in partly by sea and partly by rail.

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